

July 21, 1998, the federal debt stood at \$5,535,209,449,941.52 (Five trillion, five hundred thirty-five billion, two hundred nine million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents).

One year ago, July 21, 1997, the federal debt stood at \$5,363,683,000,000 (Five trillion, three hundred sixty-three billion, six hundred eighty-three million).

Five years ago, July 21, 1993, the federal debt stood at \$4,336,609,000,000 (Four trillion, three hundred thirty-six billion, six hundred nine million).

Ten years ago, July 21, 1988, the federal debt stood at \$2,552,565,000,000 (Two trillion, five hundred fifty-two billion, five hundred sixty-five million).

Fifteen years ago, July 21, 1983, the federal debt stood at \$1,329,511,000,000 (One trillion, three hundred twenty-nine billion, five hundred eleven million) which reflects a debt increase of more than \$4 trillion—\$4,205,698,449,941.52 (Four trillion, two hundred five billion, six hundred ninety-eight million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 17TH

Mr. HELMS. Mr. President, the American Petroleum Institute has reported that for the week ending July 17 that the U.S. imported 8,750,000 barrels of oil each day, 605,000 barrels a day more than the 8,145,000 imported during the same week a year ago.

Americans relied on foreign oil for 58.1 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 8,750,000 barrels a day at a cost of approximately \$98,875,000 a day.

LOBBING ONE MORE GRENADE AT MICROSOFT

Mr. GORTON. Mr. President, tomorrow the Senate Judiciary Committee will hold yet another hearing designed solely to lob one more grenade at Microsoft. It is entitled "Competition and Innovation in the Digital Age: Beyond the Browser Wars."

Just as I have said of the Justice Department's case against Microsoft, the Judiciary Committee's efforts to paint Microsoft in a negative light seems to be merely an attempt to give software companies that cannot compete against Microsoft on their own merits an opportunity to catch up. It is this

practice, the practice of using the United States Senate and the Department of Justice as a means to help less successful companies compete against Microsoft, that is unfair—not Microsoft's business practices.

As all of my colleagues will remember, the Committee held a similar hearing only a few months ago. At that hearing in March, Microsoft's CEO, Bill Gates, patiently answered questions from committee members and witnesses representing his competitors for four hours. The questioning focused primarily on whether Microsoft has the right to integrate new and innovative products into its Windows operating system—specifically, Microsoft's Internet Explorer.

This is precisely that issue that a gaggle of lawyers over at the Justice Department's Antitrust Division and a dozen state attorneys general are currently litigating. The DOJ and state attorneys general allege that Microsoft, in including its browser software in Windows 98, is in violation of U.S. antitrust laws.

Only a few weeks after this case was filed, Microsoft won a major court victory in a related battle. On June 23, a three judge United States Circuit Court of Appeals panel overturned the preliminary injunction issued against Microsoft last December by U.S. District Court Judge Thomas Penfield Jackson. In my opinion, this ruling is so significant as to make the Department of Justice's current case against Microsoft even more questionable than it was at the time of filing.

The question before the panel was whether Microsoft violated antitrust law and a 1995 consent decree by integrating its web browser into Windows 95. The panel ruled that Microsoft's actions did not violate the consent decree and that Microsoft should indeed be allowed to integrate new and improved features into Windows. Such integration, the judges ruled, benefits consumers.

The judges went on to warn that the government is ill-suited to make technological determinations and that the dangers of doing so far outweigh the potential benefits that "antitrust scholars have long recognized the undesirability of having courts oversee product design, and any dampening of technological innovation would be at cross-purpose with antitrust law."

The Judiciary Committee's hearing will apparently focus on issues other than the integration of browser software into Windows 98. The witnesses will instead give testimony, among other subjects, alleging that Microsoft competes unfairly in the server operating system market—a market in which Microsoft is one of many competitors and in which no one company is dominant. No monopoly here—what's the beef?

The network server market includes competitors such as IBM, Sun Microsystems, Novell, Microsoft and several others. Many of these companies have

chosen strategic business models in which they sell their customers not only the software that runs network servers, but sometimes the servers themselves, the applications that run on the servers, and even the workstations that sit on employees' desks. In such models, every piece of hardware and software is designed to work together, and as long as customers use only that one company's products, everything works fine.

Sales volumes in the network server market are fairly low but profit margins are high. Once a customer decides to buy a one-company network, he tends to stick with that system because the cost of switching to something else is quite high. Thus, this business model is a good one that can make, and has made, some companies very successful.

Microsoft has chosen a different business model for the network server market. Its model is not unfair, illegal, or anti-competitive. It is merely a different way of doing business. Microsoft doesn't make hardware or enterprise applications that run on servers. It does not make the workstation computers that sit on employees' desks. Microsoft makes network operating system called Windows NT. For a customer to use Windows NT on its server, it does not need to buy anything else from Microsoft. NT is designed to work with *any* manufacturer's hardware and support *any* company's software. It is a high volume, low profit margin model.

It is certainly not difficult to understand why companies like Novell, Sun, and IBM might be concerned about competition in the server market. After all, they have been in this market for a long time and have done very well in it. Because the margins on their sales are high, lost sales are more damaging to them than they are to their competitors whose margins on each sale are much lower. But if Sun, IBM, and Novell continue to respond to the needs of their customers, they will continue to do well in the server market.

Just as the appeals panel ruled last month on the browser issue, the decision on whether the business model chosen by Sun, IBM, and Novell or that chosen by Microsoft is a decision best made by the free market and the free market alone. The Department of Justice and the Senate Judiciary Committee have no legitimate role to play in this determination.

Let me make it clear, Mr. President, that throughout this attack, Microsoft has gone out of its way to cooperate both with the Committee and with the Justice Department. Even while its reputation is being tarnished by these two organizations, Microsoft has provided them both with everything it has been asked to provide and more.

So, I admonish my friend and colleague Senator HATCH to reciprocate. Given the list of witnesses scheduled to testify, however, I am afraid that the deck is already stacked against Microsoft. That is precisely why I advised